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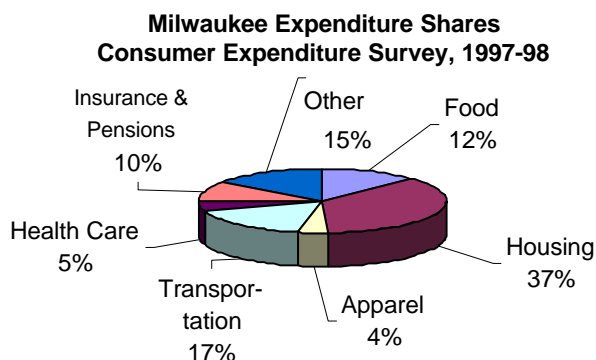
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CONSUMER SPENDING PATTERNS IN THE MILWAUKEE AREA, 1997-98

Milwaukee area consumer units spent an annual average of \$36,310 in 1997-98, approximately 4 percent more than the national average. Households in Milwaukee spent 25 percent more on shelter, but 19.5 percent less for apparel and related services, and 6 percent less for transportation, compared to average household expenditures nationwide. Household pretax income, at \$47,403, was nearly 16 percent above the United States average. (See table 1.)

Expenditures for housing, transportation, and food accounted for two-thirds of household spending. Included in the remainder are items such as health care, apparel and entertainment. (See table 2.)



This report is based on data from the Consumer Expenditure Survey that is conducted on an ongoing basis by the Bureau of Labor Statistics. Survey data are collected for BLS by the Bureau of the Census. This survey is the only national survey that provides both complete data on household expenditures and the demographic characteristics of those households. Survey data cannot be used to make cost of living comparisons between areas. This is because expenditures vary among areas not only because of economic factors such as the price of goods and services and family income, but also because of differences such as the age of the population, climate, consumer tastes, family size, etc. The survey provides

average expenditures for consumer units. An individual consumer unit may spend more or less than the average, depending on particular characteristics.

On average, spending on housing accounted for 36.7 percent of total household expenditures in the Milwaukee area. This was above the national average of 32.8 percent. Milwaukee households also spent a larger share of their budget on housing than did households in Chicago (35.8 percent) and Detroit (33.1 percent). The homeownership rate in Milwaukee averaged 66 percent, slightly above the national average of 64 percent. The majority (60 percent) of housing expenditures in Milwaukee went for shelter, which includes mortgage interest, property taxes, repairs, and rent among other items. The second largest housing expense, fuels, utilities and services, accounted for 17 percent of housing costs. This was below the national average of 21 percent but similar to the 16 percent spent by the residents of Minneapolis-St. Paul.

Transportation was the second highest expenditure category in the Milwaukee area, accounting for 17.0 percent of a household's total budget. This proportion was below the 19.8 percent average for Detroit, 19.3 percent for Minneapolis-St. Paul, and 18.6 percent for the Nation. The average number of vehicles per household was 2.2, slightly above the 2.0 vehicle average for the U.S. The net outlay (purchase price minus trade-in) for a new or used car, van, or truck accounted for over 40 percent of transportation expenditures in Milwaukee. Public transportation accounted for 8 percent of total transportation cost compared to 6.3 percent nationally.

Local consumers spent 12.5 percent of their budget on food. More than half of this expense, 57 percent, was spent on food at home. Expenditures on food prepared outside of the home accounted for 5.4 percent of the total budget, close to the national average of 5.6 percent, but below the 6.0 percent spent by Detroit area residents.

Personal insurance and pensions accounted for 10.1 percent of a Milwaukee household's expenses. Social Security and pension contributions accounted for almost 90 percent of spending in this category.

Milwaukee area residents spent a smaller proportion (3.8 percent) of their total budget on apparel and services than residents in other Midwestern cities for which comparable data are available. Nationally, consumers spent 4.9 percent of their budget on apparel and services while those in Chicago spent 5.5 percent and in Detroit, 4.6 percent.

Reported out-of-pocket expenses for health care in Milwaukee accounted for 5.0 percent of total expenditures. Milwaukee households spent slightly less (3.5 percent) than the national average and 17.3 percent less than consumers in Minneapolis-St. Paul.

Entertainment expenditures accounted for 4.6 percent of total expenditures. This was slightly less than the national average of 5.0 percent and considerably less than the 6.4 percent spent by Detroit area residents.

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Additional Data Available

Data tables are available for the four Census regions and for the national average. These tables may be obtained from the Bureau's automated Fax-on-Demand service. See below. Additional tables are offered on the BLS Internet site (<http://stats.bls.gov/csxhome.htm>) under the heading "Tables."

BLS Fax-on-Demand - Chicago (312) 353-1880	Number of pages	Document no.
Consumer Expenditures in 1998 - national news release (annual)	2	2705
CEX expenditure data		
By quintiles of income before taxes (Table 1)	3	2710
By income before taxes (Table 2)	3	2715
By age of reference person (Table 3)	3	2720
By size of consumer unit (Table 4)	3	2725
By composition of consumer unit (Table 5)	3	2730
By number of earners (Table 6)	3	2735
By housing tenure, race, Hispanic origin, and type of area - urban or rural (Table 7)	3	2740
By region of residence (Table 8)	3	2745
By occupation of reference person (Table 9)	3	2750
By education of reference person (Table 10)	3	2760

Technical Note

The current Consumer Expenditure Survey program began in 1980. Its principal objective is to collect information on the buying habits of American consumers. The consumer expenditure data are used in a wide variety of research by government, business, labor, and academic analysts. The data are also required for periodic revision of the Consumer Price Index (CPI).

The survey consists of two components: A Diary or recordkeeping survey completed by participating consumer units for two consecutive 1-week periods, and an Interview survey in which the expenditures of consumer units are obtained in five interviews conducted every 3 months. The data presented in this release are based on integrated data from both surveys.

The metropolitan statistical areas covered by the Consumer Expenditure Survey represent areas designated by the U.S. Office of Management and Budget and are based on definitions in effect as of December 1992. Due to a change in sampling frame and in area definitions, local data for the 1997-98 period are not directly comparable to data prior to 1996. The following are definitions of the areas discussed in this release:

Milwaukee, WI, includes the counties of Milwaukee, Ozaukee, Washington, and Waukesha.

Detroit-Ann Arbor-Flint, MI, includes the counties of Genesee, Lapeer, Lenawee, Livingston, Macomb, Monroe, Oakland, St. Clair, Washtenaw, and Wayne.

Chicago-Gary-Kenosha, IL-IN-WI, includes the counties of Cook, Dekalb, DuPage, Grundy, Kankakee, Kane, Kendall, Lake, McHenry, and Will in Illinois; Lake and Porter in Indiana; and Kenosha in Wisconsin.

Minneapolis-St. Paul, MN-WI, includes the counties of Anoka, Carver, Chisago, Dakota, Hennepin, Isanti, Ramsey, Scott, Sherburne, Washington, Pierce, and St. Croix in Wisconsin.

Definitions

Consumer unit A single person living alone or sharing a household with others but who is financially independent; members of a household related by blood, marriage, adoption, or other legal arrangement; or two or more persons living together who share responsibility for at least 2 out of 3 major types of expenses - food, housing, and other expenses. The terms household or consumer unit are used interchangeably for convenience.

Complete income reporter In general, a consumer unit that provides values for at least one of the major sources of its income such as wages and salaries, self employment

income, or Social Security income. Even complete income reporters may not have provided a full accounting of all income from all sources.

Table 1. Average annual expenditures, U.S. average and selected Midwestern metropolitan statistics areas, Consumer Expenditure Survey, 1997-98

ITEM	United States Average	Milwaukee	Chicago	Detroit	Minneapolis- St. Paul
Income before taxes <u>1/</u>	\$40,770	\$47,403	\$43,160	\$43,557	\$53,543
Average annual expenditures	\$35,097	\$36,310	\$36,497	\$35,658	\$47,198
Food	4,789	4,537	4,978	5,057	5,607
Food at home	2,830	2,579	2,874	2,920	3,253
Food away from home	1,960	1,958	2,105	2,137	2,354
Alcoholic beverages	309	391	312	331	525
Housing	11,509	13,333	13,071	11,789	14,766
Shelter	6,513	8,114	7,695	6,809	8,135
Utilities, fuels and services	2,408	2,224	2,598	2,505	2,292
Household operations	543	418	559	492	736
Housekeeping supplies	469	478	592	404	572
Household furnishings	1,576	2,099	1,627	1,580	3,030
Apparel and services	1,704	1,372	2,007	1,652	1,927
Transportation	6,539	6,176	5,859	7,069	9,129
Vehicle purchases (net outlay)	2,851	2,599	2,557	2,629	4,117
Gasoline and motor oil	1,057	1,036	982	1,055	1,258
Other vehicle expenses	2,218	2,048	1,766	2,915	3,168
Public transportation	413	493	554	470	585
Health care	1,872	1,806	1,976	1,604	2,184
Entertainment	1,756	1,664	1,828	2,295	2,404
Personal Care	401	335	440	431	482
Reading	162	199	157	168	219
Education	575	364	811	305	766
Tobacco	268	424	239	352	276
Miscellaneous	854	1,123	773	830	1,515
Cash contributions	1,056	914	872	872	1,323
Personal insurance and pensions	3,303	3673	3,173	2,903	6,075

1/ Components of income and taxes are derived from "complete income reporters" only: see definitions.

Table 2. Consumer unit characteristics and distribution of expenditures, U.S. average and selected Midwestern metropolitan statistics areas, Consumer Expenditure Survey, 1997-98

ITEM	United States Average	Milwaukee	Chicago	Detroit	Minneapolis- St. Paul
Income before taxes <u>1/</u>	\$40,770	\$47,403	\$43,160	\$43,557	\$53,543
Age of reference person	47.7	49.8	48.1	48.6	47.3
Earners	1.3	1.5	1.4	1.3	1.5
Vehicles	2.0	2.2	1.6	2.0	2.6
Percent homeowner	64	66	64	72	69
Average annual expenditures	\$35,097	\$36,310	\$36,497	\$35,658	\$47,198
Percent distribution:	100.0	100.0	100.0	100.0	100.0%
Food	13.6	12.5	13.6	14.2	11.9
Food at home	8.1	7.1	7.9	8.2	6.9
Food away from home	5.6	5.4	5.8	6.0	5.0
Alcoholic beverages	.9	1.1	.9	.9	1.1
Housing	32.8	36.7	35.8	33.1	31.3
Shelter	18.6	22.3	21.1	19.1	17.2
Utilities, fuels and services	6.9	6.1	7.1	7.0	4.9
Household operations	1.5	1.2	1.5	1.4	1.6
Housekeeping supplies	1.3	1.3	1.6	1.1	1.2
Household furnishings	4.5	5.8	4.5	4.4	6.4
Apparel and services	4.9	3.8	5.5	4.6	4.1
Transportation	18.6	17.0	16.1	19.8	19.3
Vehicle purchases (net outlay)	8.1	7.2	7.0	7.4	8.7
Gasoline and motor oil	3.0	2.9	2.7	3.0	2.7
Other vehicle expenses	6.3	5.6	4.8	8.2	6.7
Public transportation	1.2	1.4	1.5	1.3	1.2
Health care	5.3	5.0	5.4	4.5	4.6
Entertainment	5.0	4.6	5.0	6.4	5.1
Personal care	1.1	.9	1.2	1.2	1.0
Reading	.5	.5	.4	.5	.5
Education	1.6	1.0	2.2	.9	1.6
Tobacco	.8	1.2	.7	1.0	.6
Miscellaneous	2.4	3.1	2.1	2.3	3.2
Cash contributions	3.0	2.5	2.4	2.4	2.8
Personal insurance and pensions	9.4	10.1	8.7	8.1	12.9

1/ Components of income and taxes are derived from "complete income reporters" only; see definitions.